



**Office of the United States Attorney
District of Arizona**

PRESS RELEASE

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CAVE CREEK MAN PLEADS GUILTY TO TAX CHARGES

PHOENIX - Craig Ellsworth Maxwell, 58, of Cave Creek, Ariz. pleaded guilty here on July 14, 2005 to Filing a False Tax Return. Maxwell had been charged with violating Title 26 , U.S. Code, Section 7206(1) Fraud and False Statement.

According to the plea agreement, Maxwell admitted that on February 3, 1999 he signed his name to a 1998 Form 1040 tax return which contained false information. Maxwell also admitted to signing the tax return below a written declaration that he was signing the tax returns under penalty of perjury. Maxwell admitted he created 1099 forms which falsely stated that he had earned income from L&L Precision, NT Quality, NT and Falcon Lock. Maxwell indicated that out of the income he had earned, federal tax had been withheld in the amount of \$22,178 which he reported on his income tax return. Finally he admitted that the false amount was material because it had the effect of reducing his tax liability from \$15,582 to a refund of \$6,596.

A conviction for Title 26, U.S. Code Section, 7206(1) carries a maximum penalty of three years in prison, a \$ 100,000 fine or both. Sentencing is set before Judge Stephen M. McNamee on August 29, 2005. In determining an actual sentence, Judge McNamee will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

The investigation in this case was conducted by special agents of the Criminal Investigation at the Internal Revenue Service. The prosecution was handled by Michelle Hamilton-Burns Assistant United States Attorney, District of Arizona, Phoenix

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